

Message Text

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PAGE 01 BOGOTA 01840 262226Z

21

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00 FRB-01

XMB-04 CIAE-00 INR-07 NSAE-00 /065 W

----- 065910

R 261603Z FEB 75

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 7271

INFO AMCONSUL CALI

AMCONSUL MEDELLIN

UNCLAS BOGOTA 1840

EO 11652: NA

TAGS: AFIN, CO

SUBJ: NEW GOC BOND ISSUES

1). GOC HAS CLARIFIED NEW 3 BILLION PESO BOND ISSUE WHICH WILL SERVE TO REPLACE EXPORT TAX CREDIT (CAT) AS INSTRUMENT FOR STOCK EXCHANGE AND AT SAME TIME OBTAIN DOMESTIC CREDIT FOR FISCAL OPERATIONS. CONTRARY TO PREVIOUS STATEMENTS, NEW BOND ISSUE WILL NOT BE SUBJECT TO MARKET DETERMINATION OF INTEREST BUT BEAR A FIXED INTEREST RATE OF 27 PERCENT ANNUALLY.

2.) AS THE SIX-MONTH ECONOMIC EMERGENCY BONDS ISSUED IN THE LAST QUARTER OF 1974 ARE AMORTIZED, THE GOCIUILL ISSUE A NEW SERIES WHICH WILL BE FREELY NEGOTIABLE ON THE STOCK MARKET. ON REDEMPTION, HOWEVER, BONDS WILL BE SIMILAR TO CAT IN THAT THEY CAN ONLY BE UTILIZED FOR PAYMENT OF TAXES. FIVE PERCENT OF NOMINAL VALUE WILL BE ACCREDITED TO WITHHOLDING TAX ACCOUNTS RATHER THAN IMMEDIATE PAYMENT THUS REDUCING SLIGLY EFFECTIVE RETURN. PRELIMINARY INDICATIONS ARE THAT NEW BONDS WILL CONTINUE TO BE ISSUED PAST 1975 AND ARE EXPECTED TO BECOME LARGEST VOLUME OF STOCK EXCHANGE TRANSACTIONS.

VAKY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
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Draft Date: 26 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BOGOTA01840
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750068-1011
From: BOGOTA
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Review Content Flags:
Review Date: 20 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2003 by SilvaL0>; APPROVED <14 JAN 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
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05 JUL 2006

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Subject: NEW GOC BOND ISSUES 1). GOC HAS CLARIFIED NEW 3 BILLION PESO BOND ISSUE
TAGS: AFIN, CO
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Type: TE
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